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## CURRENT SUPPORT BRIEF

TIRE SHORTAGE IN THE USSR

OFFICE OF RESEARCH AND REPORTS

# CENTRAL INTELLIGENCE AGENCY

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#### TIRE SHORTAGE IN THE USSR

A severe shortage of tires continues to harass the Soviet economy despite sizable increases in production during the past several years. According to a statement made in October at the 22nd Congress of the CPSU, hundreds of thousands of motor vehicles in the USSR are without tires. 1/ The deficiency has been attributed to insufficient production capacity, but the poor quality--and, hence, short road life--of Soviet tires undoubtedly is an important factor. Over-optimistic forecasting of the output of retread tires may also have contributed to the deficit, 2/ which is believed to have totaled at least two million units in 1960.

During the past several years, tire shortages have been reported regularly in Soviet literature. In 1957, many vehicles in Azerbaydzhan were said to be idle for lack or tires, and during the following year more than half the trucks of the Georgian republic reportedly were unusable because of shortages of tires or replacement parts. 3/ Shortages persisted through 1960, 4/ and as recently as March, 1961, officials in Alma Ata told Khrushchev of insufficient supplies of tires for automobiles and trucks. 5/

The 22nd Congress delegates were told that speedier construction of new capacity at plants in Yaroslavl , Moscow, Krasnoyarsk, and Omsk would have permitted adequate tire production. Equipment shortages have delayed construction at Omsk, while misallocations of investment funds and lack of equipment have plagued builders at Krasnoyarsk. 6/

Despite the lag in plant construction, tire output apparently is increasing in accordance with the Seven Year Plan (1959-65). Production of tires in 1960, 17.2 million units, exceeded 1959 output by approximately 11 percent, the growth rate needed to attain the 1965 goal of 29 million units. 7/ Production in 1961 was scheduled to total 19.1 million units, and in 1962, 21 million units, the outputs required to maintain the 11 percent annual growth rate. 8/ This expansion of output is being aided by purchases of technology and equipment from the Free World. The UK has provided a plant with a capacity of 2 million tires per year at Dnepropetrovsk and is to build a similar installation at Volzhsk, near Volgograd. 9/ Italy plans to supply a third plant at a location as yet unannounced. 10/

The substantial gains consistently being achieved in tire output suggest that the poor quality of Soviet tires is a significant factor in the current shortage. This low quality, which results in an average road life substantially below that in the West, can be traced to poor fabrication of tires and to the use of inferior grades of rubber, carbon black, tire cord, and other components. Plans call for an increase in tire life by 1965 to a level 25-30 percent above that of 1958, but it is doubtful that much improvement has been made yet, inasmuch as plants supplying better quality raw materials for tire fabrication are not yet in operation. By expanding recapping facilities, the USSR can further increase road life. In 1962, according to a December speech by V. Novikov, Chairman of Gosplan, 2 million tires are to be recapped. 11/ In 1959 the number of recaps probably totaled only about 600,000.

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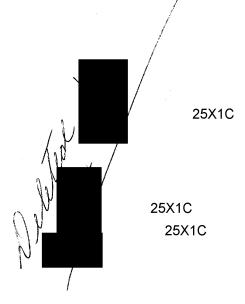
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